

4TH QUARTER REPORT

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PURPOSE OF THE QUARTERLY REPORT

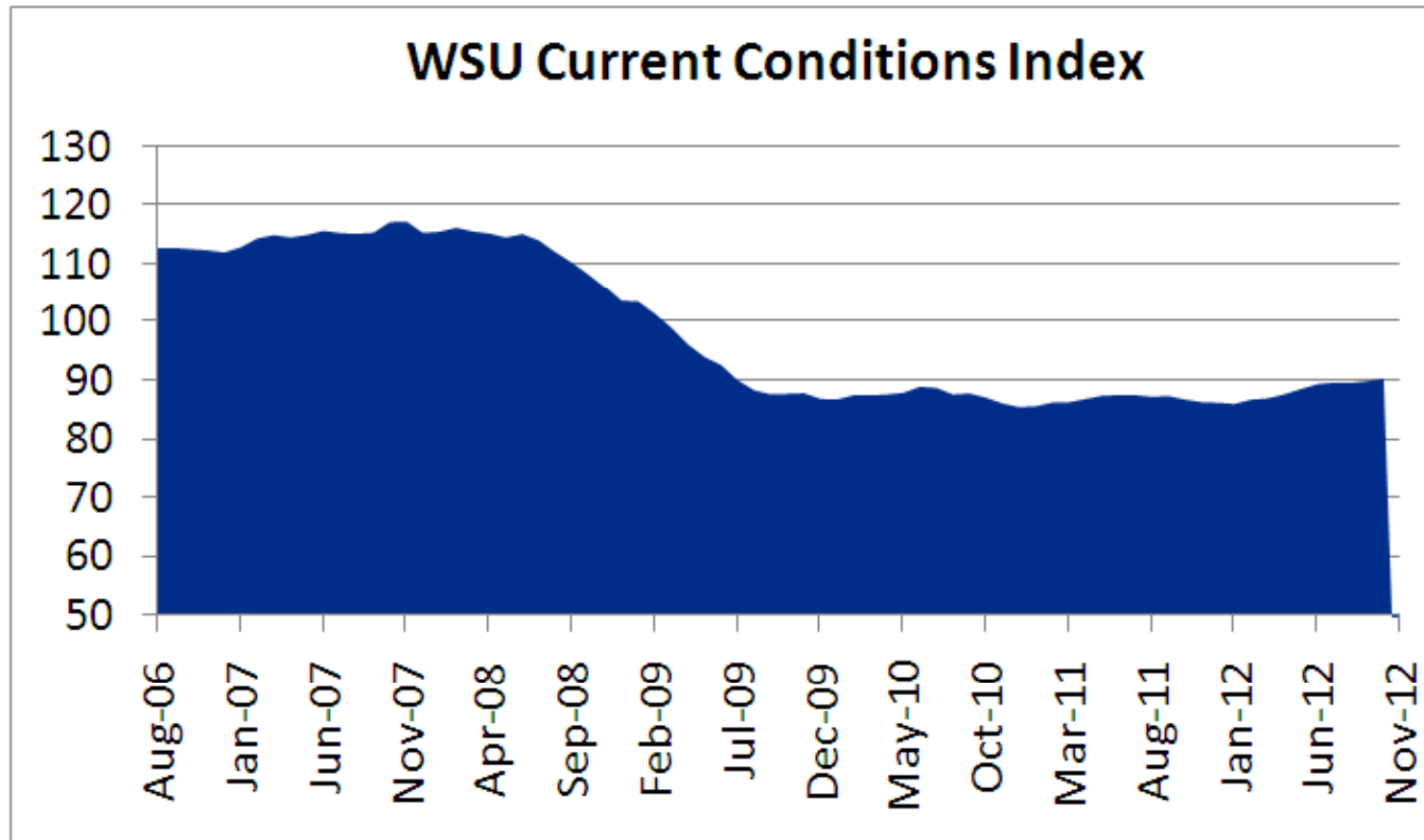
- First Quarter – provides a preliminary view of upcoming financial issues for the budget process
- Second Quarter – updates (if necessary) projections in the recently adopted budget
- Third Quarter – forecasts year end issues
- Fourth Quarter – reflects preliminary year end results before the audit

ECONOMIC ENVIRONMENT

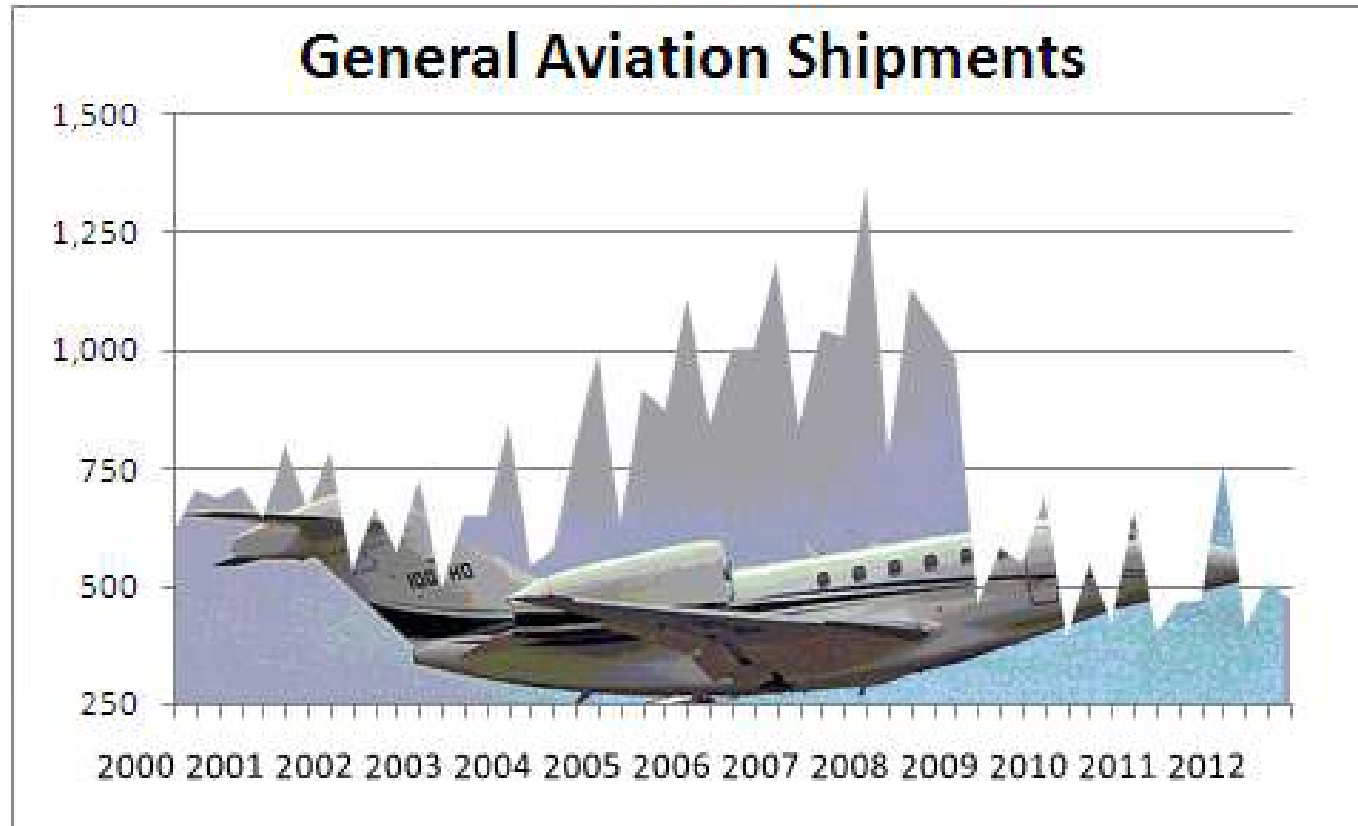
Relatively stable with slight improvements

- Current Conditions Index
- General Aviation Shipments
- Housing Price Index

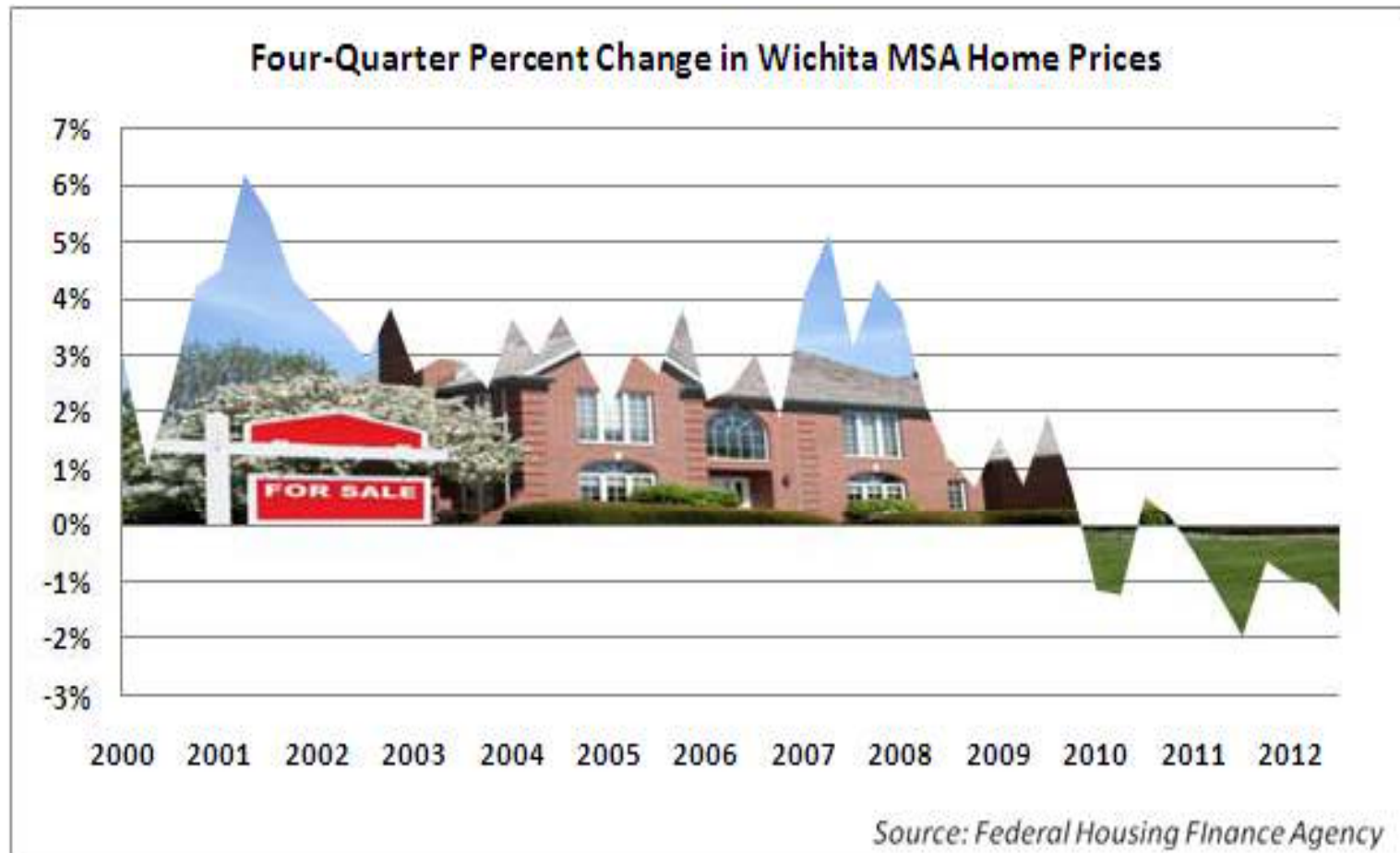
ECONOMIC ENVIRONMENT



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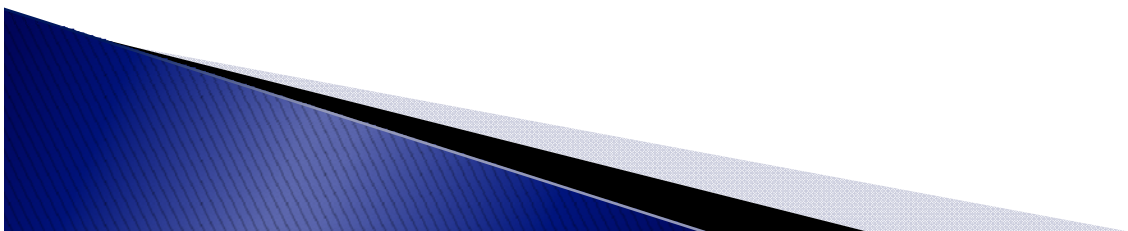


ECONOMIC ENVIRONMENT



GENERAL FUND (MILLIONS)

Item	2011	2012 Revised	2012
Revenues	209.2	212.3	206.6
Expenditures	208.9	212.3	206.4
Margin	0.3	0	0.2
Ending Balance	23.1	23.1	23.3
% of Expenditures	11.1%	10.9%	11.3%



GENERAL FUND – REVENUES

Year to Date Fourth Quarter Comparison: 2011 to 2012		
Item	2011	2012
Property Tax	75.0	76.1
Interest Earnings	1.0	.3
Sales Tax	25.0	26.2
Gas Tax	14.3	14.4
Motor Vehicle Tax	9.9	10.0
Fines/Penalties	10.3	10.5
Franchise Fees	36.8	37.4
All Other	36.9	31.8
Total GF	209.2	206.6

GENERAL FUND – EXPENDITURES

Year to Date Fourth Quarter Comparison: 2011 to 2012

Item	2011	2012
General Government	28.2	26.9
Public Safety	114.5	117.2
Highways & Streets	21.9	17.5
Culture & Recreation	28.3	28.0
All Other	16.0	16.8
Total GF	208.9	206.4



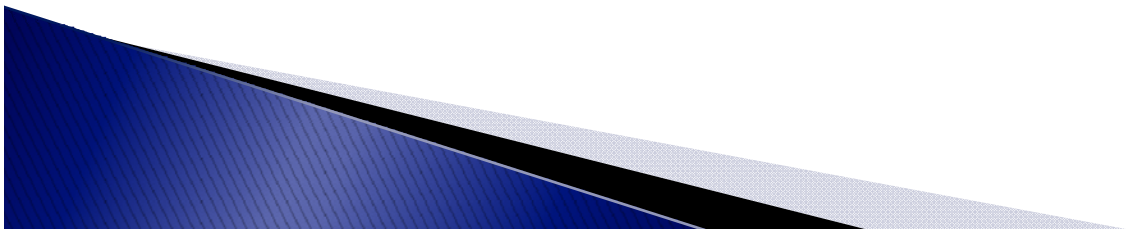
GENERAL FUND – GOING FORWARD

- Sales tax has recovered
- Property tax valuation for 2014 is budgeted to grow 2%
- Gas tax is flat
- Interest earnings continue to decrease
- Franchise fees affected by lower natural gas prices



General Fund Conclusion

- ▶ Health insurance savings in 2013; uncertainty in 2014 and beyond
- ▶ Wage costs will increase, as positions are being filled strategically
- ▶ Pension funds performed well in 2013; increases likely in 2014, but at lower levels



SPECIAL REVENUE FUNDS

- Tourism and Convention Fund – Overall revenues are 2.4% higher than 2011; fund outlook is stable
- OCI Fund – Revenues are 9.8% greater than 2011; expenditures remained flat. The fund balance is 20% of expenditures, much higher than a year ago.
- Landfill Post Closure – Maintains a \$20.4 million fund balance; fund outlook is stable.

SPECIAL REVENUE FUNDS

- Liquor tax revenues grew 5.3% over 2011 affecting Special Alcohol and Parks
- Economic Development maintains a \$4.5 million balance
- East Bank and Old Town Cinema revenue was decreased due to a correction by Sedgwick County.
- NE Redevelopment and 21st and Grove performed as expected.
- SSMID revenue was slightly less than 2011

ENTERPRISE FUNDS

- Water/Sewer – Both funds finished 2012 in a solid financial condition, due to hotter, drier weather. 2012 was the first year of implementing the cost based model recommended from the cost of service analysis in 2011.
- Storm Water Utility – Revenues finished slightly lower; expenditures increased by 4.6% through 2012 based on 2011 debt issuance.
- Airport – Fund is performing as expected; fund balance draw downs will occur in the future, based on Airport Terminal project plan

ENTERPRISE FUNDS

- Transit – Revenues were slightly higher than 2011; expenditures decreased, due to claims and position decreases; an estimated transfer of \$250,000 will be required from the Permanent Reserve Fund to ensure a positive cash balance
- Golf – Performance improved over last year by 17% or 20,000 rounds; expenditures were controller; the fund was able to pay debt service.

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QUESTIONS AND COMMENTS